FISCAL IMPACT STATEMENT ON BILL NO. **H.4368**

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TO: The Honorable Robert E. "Bob" Walker, Chairperson, House Education and Public Works

Committee

FROM: Office of State Budget, Budget and Control Board

ANALYSTS: Bryce Wilson and Rodney Grizzle

DATE: April 14, 2008 SBD: 2008215

AUTHOR: Representative Gullick PRIMARY CODE CITE: 59-155-10

SUBJECT: Outstanding Educational Benefits Garnishment Act

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

Minimal (Some additional costs expected but can be absorbed)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

Minimal (Some additional costs expected but can be absorbed)

BILL SUMMARY:

This Bill would amend the Code of Laws so as to enact the "South Carolina Outstanding Educational Benefits Garnishment Act". This act provides collection agencies with the ability to obtain judgment to garnish wages and salary for the purpose of collecting outstanding education benefits.

EXPLANATION OF IMPACT:

<u>Judicial Department</u>

The Department indicates this Bill will have a minimal impact on the General Fund of the State, which can be absorbed by the agency at the current level of funding. Since actions involving more than \$7,500 will be heard by the Circuit Court, this may increase the number of cases to be heard. Should the docket become over loaded, additional delays in all case processing in Circuit Court can be expected.

The Commission on Higher Education (CHE)

CHE indicates this Bill would have no impact on the General Fund of the State or on Federal and/or Other Funds. The Bill provides third-party collection entities with a tool for collecting institutional debt.

Comptroller General's Office

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The Office reports this Bill will add volume to the workload but may not have an impact on the General Fund of the State or on Federal and/or Other Funds. However, if the workload greatly increases, funding and an additional FTE may be needed.

Approved by:

Harry Bell

Assistant Director, Office of State Budget